

**U.S. Department of Labor**

Employment Standards Administration  
Wage and Hour Division  
Washington, D.C. 20210



November 2, 2006

Michelle Castellow Abraham  
Manager, Rural Services  
Virginia Employment Commission (VEC)  
703 E. Main Street  
Richmond, VA 23803

Dear Ms. Abraham:

This is to officially notify you of the decision by the Wage and Hour Division, U.S. Department of Labor (the Department), to terminate the *Agreement Between the Commonwealth of Virginia and the Secretary of Labor, U.S. Department of Labor* (the Agreement) that delegates to the Commonwealth of Virginia the authority to process applications from and issue certificates of registration to farm labor contractors and farm labor contractor employees subject to the Migrant and Seasonal Agricultural Worker Protection Act (MSPA). Section XII of the Agreement requires 90 days written notice by either party prior to the effective date of termination. Therefore, pursuant to this provision, the terms and conditions of the Agreement will no longer be in effect as of February 1, 2007.

The Wage and Hour Division recently took part in a competitive sourcing action to produce a re-organized and more efficient process for carrying out all of our certification responsibilities under MSPA and the Fair Labor Standards Act. This competition was conducted in accordance with the President's Management Agenda to identify cost savings and performance improvements in the Federal government.

After careful consideration of several alternatives for the performance requirements that were subject to the competitive sourcing action, a more consolidated process carried out by Wage and Hour staff was accepted as the most efficient and cost-effective method of meeting our certification responsibilities. A further consequence of this competitive sourcing action was the elimination of contractual services such as those performed for the Department by the Commonwealth under the Agreement and which was the determinant in our decision to terminate this arrangement.

We appreciate the service that your office has provided to the Wage and Hour Division in support of our certification program, and we look forward to working with the VEC to accomplish our transition to the new system in the months ahead.

Sincerely,

A handwritten signature in black ink, appearing to read "Carl Smith". The signature is fluid and cursive, with the first name "Carl" being more prominent than the last name "Smith".

Carl Smith  
Acting Director  
Office of Planning and Analysis